

U.S. Large Cap Equity

September 30, 2017

Long-Term Capital Appreciation

Davis Large Cap Equity is a portfolio of attractive businesses in the U.S. selected using the time-tested Davis Investment Discipline. The Portfolio is co-managed utilizing fundamental, bottom-up research for stock selection. The Portfolio has outperformed its benchmark index since 1969. As one of the largest investors, we have a unique commitment to client stewardship.

► Why Invest in the Davis Large Cap Equity Portfolio

- **Equity-Focused Research Firm:** Established in 1969, Davis is a leading specialist in equity investing.
- **Portfolio of Best of Breed Businesses:** The Portfolio invests in businesses in the U.S. Utilizing rigorous independent research, we invest in durable, well-managed businesses with sustainable competitive advantages and attractive long-term growth prospects selling at a discount to their true value.
- **Attractive Results:** The Portfolio has outperformed the S&P 500 Index since inception ending September 30, 2017.
- **We Are Among the Largest Investors:** We have a unique commitment to stewardship, generating attractive long-term results, managing risks and minimizing fees.

► Performance Summary

For the trailing quarter, the S&P 500 Index returned 4.48%. The Davis U.S. Large Cap Equity Portfolio outperformed the Index during this period. On a sector basis and relative to the Index, the consumer discretionary and consumer staples contributed to performance while industrials detracted.

► Our Investment Alongside Clients

We have more than \$2 billion of our own money invested side by side with clients.¹

► Vehicles

- Institutional Separately Managed Accounts
- SICAV Davis Value Fund
A Shares CUSIP L22865106
I Shares CUSIP L22865148
- Davis New York Venture Fund
A Shares NYVTX Y Shares DNVYX
- Selected American Shares
S Shares SLASX D Shares SLADX

► Portfolio Characteristics²

	Davis	S&P 500
Number of Holdings	42	505
Trailing Positive P/E Ratio	21.6	22.3
Price/Book	3.2	4.0
Yield (%)	1.3	2.0
Beta (5 years)	1.1	1.0
Weighted Average Market Capitalization (\$bn)	183.3	173.1
Median Market Capitalization (\$bn)	45.0	21.0

► Performance

	3Q17 ³	1 Year	3 Years	5 Years	10 Years	Inception 4/1/69
U.S. Large Cap Equity (gross)	4.84%	21.10%	11.67%	14.62%	6.76%	12.76%
U.S. Large Cap Equity (net)	4.71	20.51	11.12	14.07	6.25	12.08
S&P 500 Index	4.48	18.61	10.81	14.22	7.44	10.10

► Top 10 Holdings⁴

Alphabet
Amazon.com
Wells Fargo
Berkshire Hathaway-Class A
Bank of New York Mellon
JPMorgan Chase
American Express
Apache
United Technologies
Capital One Financial

► Sector Breakdown

	Davis	S&P 500
Consumer Discretionary	16.9%	11.9%
Consumer Staples	2.1	8.2
Energy	11.4	6.1
Financials	35.2	15.5
Health Care	5.4	14.5
Industrials	8.3	10.2
Information Technology	17.1	22.3
Materials	3.6	3.0
Real Estate	0.0	3.0
Telecommunication Services	0.0	2.2
Utilities	0.0	3.1

Contacts

Institutional Services

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1. Includes the Davis family, Davis Advisors, employees and directors. As of June 30, 2017.
2. Figures represent a Davis U.S. Large Cap Equity Model Account. Individual accounts may not have the same results and characteristics will change over time. Source: Davis Advisors and Wilshire Atlas. 3. Returns for periods less than one year are not annualized. 4. For information purposes only. Not a recommendation to purchase or sell any security. There can be no assurance that an investor will earn a profit and not lose money.

Gross performance presented does not reflect the deduction of investment advisory fees. A client's returns will be reduced by the advisory fees and other expenses it may incur as a client. The reader is referred to Davis Advisors' ADV Part 2 for a full disclosure of the fee schedule. As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, on an account with a 1% annual fee, if the gross performance is 10%, the compounding effect of the fees will result in a net performance of approximately 8.93%.

This material has been approved for institutional client use only. A client should carefully consider an investment's strategies, risks, fees, and expenses before investing. Davis Advisors' Form ADV contains this and other information and can be obtained by calling 212-891-5512. Please read the documents carefully before investing or sending money.

The performance of mutual funds is included in the Composite. The performance of the mutual funds and private accounts may be materially different. For example, Davis New York Venture Fund may be significantly larger than a typical private account and may be managed with a view toward different client needs and considerations. The differences that may affect investment performance include, but are not limited to: the timing of cash deposits and withdrawals, the possibility that Davis Advisors may not purchase or sell a given security on behalf of all clients pursuing similar strategies, the price

and timing differences when buying or selling securities, the size of the account, the differences in expenses and other fees, and the clients pursuing similar investment strategies but imposing different investment restrictions. This is not a solicitation to invest in the Davis New York Venture Fund or any other fund.

Davis Advisors is committed to communicating with our investment partners as candidly as possible because we believe our investors benefit from understanding our investment philosophy and approach. Our views and opinions regarding the investment prospects of our portfolio holdings include "forward-looking statements" which may or may not be accurate over the long term. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate. These opinions are current as of the date of this report but are subject to change. Market values will vary so that an investor may experience a gain or a loss.

The investment objective of a Davis Large Cap Value account is long-term growth of capital. There can be no assurance that Davis will achieve its objective. Davis Advisors uses the Davis Investment Discipline to invest a client's assets principally in common stocks (including indirect holdings of common stock through depositary receipts) issued by large companies with market capitalizations of at least \$10 billion. Historically, the Large-Cap Value strategy has invested a significant portion of its assets in financial services companies and in foreign companies, and may also invest in mid- and small-capitalization companies. The principal risks are: common stock risk, depositary receipts risk, emerging markets risk, fees and expenses risk, financial services risk, foreign country risk, foreign currency risk, headline risk, large-capitalization companies risk, manager risk, mid- and small-capitalization companies risk, and, stock market risk. See the ADV Part 2 for a description of these principal risks.

Davis Advisors' Large Cap Value Composite includes all actual, fee-paying, discretionary Large Cap Value investing style institutional accounts and mutual funds under management for each investment period from April 1, 1969, through the date of this report, including those accounts no longer managed. Effective January 1, 1998, a minimum account size of \$3,500,000 was established. Accounts below this minimum are deemed not to be representative of the Composite's intended strategy and as such are not included in the Composite. Prior to January 1, 2011, wrap accounts were included in the Composite. A time-weighted internal rate of return formula is used to calculate performance for the

accounts included in the Composite. For the net of advisory fees performance results, custodian fees are treated as cash withdrawals and advisory fees are treated as a reduction in market value. For mutual funds, the Composite uses the rate of return formula used by the open-end mutual funds calculated in accordance with the SEC guidelines adjusted to treat mutual fund expenses other than advisory fees as cash withdrawals; sales charges are not reflected. Wrap account returns are computed net of a 3% maximum wrap fee. For the gross performance results, custodian fees and advisory fees are treated as cash withdrawals. A list of Davis Advisors' Composites is available upon request.

Allocations provided are defined by Standard and Poor's Global Industry Classification Standards (GICS). The Advisor may reclassify a company into an entirely different industry if it believes that the GICS classification for a specific company does not accurately describe the company.

The S&P 500 Index is an unmanaged index of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Index is adjusted for dividends, weighted towards stocks with large market capitalizations and represents approximately two-thirds of the total market value of all domestic common stocks. Investments cannot be made directly in an index.

Broker-dealers and other financial intermediaries may charge Davis Advisors substantial fees for selling its products and providing continuing support to clients and shareholders. For example, broker-dealers and other financial intermediaries may charge: sales commissions; distribution and service fees, and record-keeping fees. In addition, payments or reimbursements may be requested for: marketing support concerning Davis Advisors' products; placement on a list of offered products; access to sales meetings, sales representatives and management representatives; and participation in conferences or seminars, sales or training programs for invited registered representatives and other employees, client and investor events, and other dealer-sponsored events. Financial advisors should not consider Davis Advisors' payment(s) to a financial intermediary as a basis for recommending Davis Advisors.

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